

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
THIRTY-SECOND LEGISLATURE
THIRD SPECIAL SESSION

Juneau, Alaska

Monday

August 16, 2021

First Day

Pursuant to the Governor's proclamation dated May 13 (page 1064) and amended July 29 calling the legislature into special session, the House was called to order by Speaker Stutes at 2:02 p.m.

Roll call showed 37 members present. Representative McCabe was absent.

Representative Claman, Acting Majority Leader, moved and asked unanimous consent that Representatives Patkotak and Tuck be excused from the call of the House today. There being no objection, it was so ordered.

The invocation was offered by the Chaplain, Representative Ortiz. Representative Thompson moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

With the deepest respect for the religious beliefs of all Alaskans, I offer the following prayer:

Dear Lord,

As we begin a new special session, I ask you to open our minds and our ears to communication and compromise; that you convict each of our hearts to seek first the common ground that unites the 40 of us. Remind us that we are servants to you and this position is also one of servitude; we are here to serve our communities and our neighbors and to

act in the best interests of this state and its residents as a whole. Thank you for bringing us here safely and for blessing us with colleagues from all over this incredible, unique, and resilient state. Amen.

The Pledge of Allegiance was led by Representative Eastman.

CERTIFICATION OF THE JOURNAL

Representative Claman moved and asked unanimous consent that the journal for the sixth legislative day of the Second Special Session be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE GOVERNOR

The following supplemental Governor's proclamation dated July 29 which amends the proclamation dated May 13 was read:

"Under the authority of Article II, Section 9, and Article III, Section 17, Constitution of the State of Alaska, and in the public interest, I hereby amend my proclamation of May 13, 2021, calling the Thirty-Second Legislature of the State of Alaska into special session as follows:

The Thirty-Second Legislature of the State of Alaska is called into its third special session at Juneau, Alaska, in the legislative chambers, on August 16, 2021, at 2:00 p.m., to consider the following subjects:

- HJR 6, SJR 5, or similar resolutions proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit; and relating to the Constitutional Budget Reserve fund;
- HJR 7 or SJR 6, proposing amendments to the Constitution of the State of Alaska relating to the Alaska Permanent Fund, appropriations from the Alaska Permanent Fund, the Alaska Permanent Fund Dividend, and power cost equalization.
- An act or acts relating to measures to increase state revenues.

Sincerely,

/s/

Mike Dunleavy
Governor"

HB 22

A message dated July 1 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE BILL NO. 22 am

"An Act relating to shared animal ownership; and relating to the sharing of raw milk and raw milk products."

Chapter No. 15, SLA 2021

Effective Date: September 29, 2021

HB 27

A message dated July 13 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE BILL NO. 27

"An Act naming the irene Webber Bridge."

Chapter No. 21, SLA 2021

Effective Date: October 11, 2021

HB 36

A message dated July 13 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR HOUSE BILL NO. 36(L&C)

"An Act relating to an application for a license to operate as a dealer in motor vehicles; relating to the duties of a motor vehicle dealer; and requiring a dealer in motor vehicles to maintain liability and property insurance."

Chapter No. 17, SLA 2021

Effective Date: October 11, 2021

HB 63

A message dated July 13 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 63(TRA)

"An Act relating to the duties of the Department of Transportation and Public Facilities; renaming the Alaska Marine Transportation Advisory Board the Alaska Marine Highway Operations Board; relating to the membership and duties of the Alaska Marine Highway Operations Board; and relating to the comprehensive, intermodal, long-range transportation plan for the state."

Chapter No. 20, SLA 2021

Effective Date: October 11, 2021

HB 105

A message dated July 8 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 105(JUD)

"An Act relating to care of juveniles and to juvenile justice; relating to employment of juvenile probation officers by the Department of Health and Social Services; relating to the right to representation by the Public Defender Agency; relating to the duties of the commissioner of corrections; relating to the detention of minors; relating to minors subject to adult courts; relating to the placement of minors in adult correctional facilities; relating to terms used in juvenile justice; relating to mandatory reporters of child abuse or neglect; relating to sexual assault in the third degree; relating to sexual assault in the fourth degree; repealing a requirement for administrative revocation of a minor's driver's license, permit, privilege to drive, or privilege to obtain a license for consumption or possession of alcohol or drugs; and providing for an effective date."

Chapter No. 16, SLA 2021

Effective Date: July 9, 2021

HB 109

A message dated July 20 was received stating the Governor allowed the following bill to become law without his signature and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR HOUSE BILL NO. 109(JUD) am S

"An Act extending the termination date of the Board of Governors of the Alaska Bar Association; and providing for an effective date."

Chapter No. 23, SLA 2021

Effective Date: July 22, 2021

HB 160

A message dated July 14 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE BILL NO. 160(TRA) am

"An Act relating to the state procurement code; establishing the construction manager general contractor procurement method; and providing for an effective date."

Chapter No. 22, SLA 2021

Effective Date: See Chapter

SB 19

A message dated June 29 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 19(FIN)

"An Act relating to allocations for the special education service agency; extending the special education service agency; and providing for an effective date."

Chapter No. 12, SLA 2021

Effective Date: See Chapter

SB 69

A message dated June 29 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE BILL NO. 69 am

"An Act extending an exemption from regulation as a public

utility for plants and facilities generating electricity entirely from renewable energy resources; and providing for an effective date."

Chapter No. 13, SLA 2021

Effective Date: July 1, 2021

SB 70

A message dated June 29 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 70(HSS)

"An Act relating to opioid overdose drugs; and providing for an effective date."

Chapter No. 14, SLA 2021

Effective Date: June 30, 2021

SB 125

A message dated July 13 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 125(RES)

"An Act relating to the transferability of hunts awarded by drawing; and providing for an effective date."

Chapter No. 18, SLA 2021

Effective Date: July 14, 2021

SB 134

A message dated July 13 was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 134(RES)

"An Act relating to master guide-outfitter qualifications for licensure; and providing for an effective date."

Chapter No. 19, SLA 2021

Effective Date: See Chapter

HB 69

The following letter was dated June 30 and received July 2 at 10:06 a.m.:

"Dear Speaker Stutes:

On this date, I have signed, with line-item vetoes, the following bill passed during the second special session of the Thirty-Second Alaska State Legislature, and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

CONFERENCE CS FOR HOUSE BILL NO. 69(brf sup maj fld H/S)

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making capital appropriations, supplemental appropriations, and reappropriations; and providing for an effective date."

Chapter No. 1, SSSLA 2021

[Effective Date: See Chapter]

This budget, with vetoes, provides necessary funding for the current fiscal year to address the needs of Alaskans. The vetoes made were the result of thorough evaluation and consistent application of my administration's priorities.

The line-item vetoes include the appropriation made for the issuance of a Permanent Fund Dividend. Divided between multiple funding sources, one of which failed to be adopted, the appropriation is neither consistent with current statute nor compatible with a single legislative or executive proposal regarding the appropriation of the Permanent Fund's Earnings Reserve. In Fiscal Year 2017, the Permanent Fund Dividend was first reduced, ad hoc, reducing the distribution to Alaskans. Fiscal Year 2018 was the last year the Earnings Reserve was used to exclusively fund a dividend and to inflation proof the Permanent Fund. The appropriation from the Earnings Reserve for dividends in this budget equates to roughly 12 percent of the amount distributed from the fund this year; the remaining 88 percent of the Earnings Reserve draw would go to government operations. That is an

unacceptable appropriation for the people of Alaska, and I will not authorize a dividend that is the result of an arbitrary determination in the Legislature, especially when there are serious proposals to durably resolve this longstanding issue.

One of my line-item vetoes is for the amount that lawmakers would normally expect to receive in per diem for FY 2022.

Other line-item vetoes include those made to appropriations that increase budgetary components in several agencies and statewide items. This budget, along with other vehicles, has and will continue to transfer billions of federal dollars to local communities, schools, tribes, non-profits, and healthcare providers. It is prudent to conserve the Unrestricted General Fund (UGF) dollars from growing the state's operating footprint.

Several line-item vetoes were the result of decisions to change the funding sources for those appropriations. In particular, several proposed capital projects originated as part of a general obligation bond package. If passed by the Legislature and affirmed in a public vote, the cost of financing the debt for those projects would have been a fraction of attempting to fund them with general funds. Several other proposals were introduced and passed with a federal funding source. Many of those projects have merit, which was why they were introduced by my administration. However, the appropriations for those projects, including trails, buildings, and harbors, were passed with an UGF source. That change represents an unsustainable call on the treasury and is unacceptable when there are less expensive funding alternatives. It is my hope the Legislature will come back to the table and work on a project bonding package in the best interest of all Alaskans.

With these line-item vetoes, the State of Alaska still maintains essential government services, continues strategic investments in education, public safety and transportation, and instills budgetary discipline at a time when federal funding is at historic heights. This budget also, after line-item vetoes, represents the largest capital budget since Fiscal Year 2015.

I am confident the Executive Branch has adequate resources with the inclusion of funds maintained in HB 69 to cover the expenses currently anticipated in Fiscal Year 2022.

Sincerely,

/s/

Mike Dunleavy
Governor"

HB 71

The following letter was dated June 30 and received July 2 at 10:06 a.m.:

"Dear Speaker Stutes:

On this date, I have signed, with line-item vetoes, the following bill passed during the first special session of the Thirty-Second Alaska State Legislature, and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

CONFERENCE CS FOR HOUSE BILL NO. 71

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; making capital appropriations and supplemental appropriations; and providing for an effective date."

Chapter No. 1, FSSLA 2021

[Effective Date: See Chapter]

The following reductions were made to the Mental Health Capital and Operating budget. The Department of Health and Social Services division operations, program grants, and general administration, were reduced by \$5,991,000 in General Funds. The Department of Commerce, Community, and Economic Development appropriation for Community and Regional Affairs was reduced by \$180,000 in General Funds. The Department of Administration, Public Defender Agency, appropriation was reduced by \$86,000. The University of Alaska, Anchorage campus appropriation was reduced by \$325,000 Unrestricted General Fund (UGF). Capital upgrade requests totaling \$3,150,000 UGF were also reduced.

The above line-item reductions were made due to the lack of a proper source of funding. When House Bill 71 was introduced at the beginning of the Thirty-Second Legislature, several of the above-listed items were proposed using funds from the Mental Health Trust Fund. During legislative deliberations those items, and additional new appropriations, were uniformly proposed by the Legislature to be funded with UGF.

This is unacceptable for the following two reasons. First, the UGF is limited and the basis of deep budgetary debates that are ongoing to fund multiple constitutional and statutory obligations. Second, and more importantly, the Mental Health Trust (Trust) has the financial capabilities to sustain the programs and projects reduced with its own funding. To date, the Mental Health Trust Fund is projected to end Fiscal Year 2021 with \$131,400,000 in reserves. After accounting for maintaining a longstanding reserve target rate of \$96,600,000, the Trust can apply \$34,800,000 in its own funding for items like those reduced above.

I call upon the Trust's Board, its executive team, and the Legislature, to deliberate on the fiscal actions the Trust has undertaken in recent years, and whether or not those actions comport with its mission to better the lives of Trust beneficiaries.

After my vetoes, the total enacted amount of this bill is \$231,365,500 comprised of \$161,360,800 of UGF, \$52,929,700 of Designated General Funds, and \$17,075,000 of other funds. The funding source of every program and project is critical to the transparency the Alaska public demands of its government. I call on all of us to work together to make that expectation a reality for the people of this State.

Sincerely,

/s/

Mike Dunleavy
Governor"

COMMUNICATIONS

The following was received:

Alaska Industrial Development and Export Authority
Interior Energy Project
Quarterly Report to the Alaska State Legislature
July 2021
www.interiorenergyproject.com
(as required by Chapter No. 39, SLA 2015)

The following audit report was received from the Division of Legislative Audit, Legislative Budget & Audit Committee, as required by AS 24.20.311:

Dept. of Commerce, Community, & Economic Development
State Physical Therapy and Occupational Therapy Board
Sunset Review
April 2, 2021

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE RESOLUTIONS

HJR 301

HOUSE JOINT RESOLUTION NO. 301 by Representative Kaufman:

Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit; and relating to the budget reserve fund.

was read the first time and referred to the House Special Committee on Ways & Means and the Judiciary and Finance Committees.

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE BILLS

HB 3001

HOUSE BILL NO. 3001 by Representative Kaufman, entitled:

"An Act relating to an appropriation limit; relating to the budget responsibilities of the governor; and providing for an effective date."

was read the first time and referred to the House Special Committee on Ways & Means and the Judiciary and Finance Committees.

UNFINISHED BUSINESS**HR 8**

Pursuant to HR 8-POVERTY AND OPPORTUNITY TASK FORCE (House Resolve 8), a message dated July 16 was received stating the Speaker appointed the following members to the task force:

State Representative Appointees:

Representative McCarty, Representative Tarr

Alaska Native Claims Settlement Act Representative Appointee:

Loren Peterson, Azachorok Inc., Chairman & President

Senior Citizen Representative Appointee:

Stephanie Wheeler, Office of Long-Term Care, State Ombudsman

Economics Researcher Appointee:

Ralph Townsend, University of Alaska Anchorage, Director of ISER

Public Health Researcher Appointee:

David Parker, University of Alaska Anchorage, Director of the Center on Alcohol and Addiction

Non-Profit Member Appointees:

Lynette Ortolano, Kids Kupboard, Executive Director

Hannah Hill, Bread Line Inc., Executive Director

Kirk Rose, Anchorage Community Land Trust, CEO

Justina Beagnyam, Alaska Poor People's Campaign, Director of Programming

Public Member Appointees:

Rochelle Adams, Native People's Action, Indigenous Engagement Director

Marlene McCabe, Lived Experience

Patrick Anderson, RurAL Cap, Executive Director

Tara Christiansen-Stiller, Alaska Children's Trust, Director of Alaska Resilience Initiative

Tribal Government/Nonprofit Appointees:

Karma Ulvi, Native Village of Eagle, Chief

Rose Panik, Native Village of Wainwright, Tribal Administrator
Melonie Boord, Sitka Tribe of Alaska, Social Services Director

Large Municipality Government Appointees:

Greg Smith, City and Borough of Juneau, Assembly Member
Felix Rivera, Municipality of Anchorage, Assembly Member

Small Municipality Government Appointees:

Kira Eckenweiler, City of Unalakleet, Mayor
Chelsea Tremblay, Petersburg Borough, Assembly Member

Refugee/Immigrant Representative Appointee:

Issa Spatrisano, Catholic Social Services Alaska, Alaska State Refugee Coordinator

Faith Community Appointee:

Edwenia Brown, Shiloh Baptist Church, Pastor

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Pursuant to the Sense of the House passed on June 28 the Speaker and the Minority Leader appointed the following members to the Comprehensive Fiscal Plan Working Group:

House Majority Members

Representative Kreiss-Tomkins
Representative Schrage
Representative Hopkins, alternate

House Minority Members

Representative Carpenter
Representative McCabe
Representative Prax, alternate

ENGROSSMENT AND ENROLLMENT

HR 8

The following was engrossed and enrolled, signed by the Speaker and Chief Clerk, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 9:30 a.m., July 16 with a manifest error memorandum (page 1265):

CS FOR HOUSE RESOLUTION NO. 8(CRA)
Creating the House Task Force on Poverty and Opportunity.

House Resolve No. 8

HR 9

The following was engrossed and enrolled, signed by the Speaker and Chief Clerk, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:51 p.m., July 15:

HOUSE RESOLUTION NO. 9 am
Encouraging the homeporting of new United States Coast Guard icebreakers in the state.

House Resolve No. 9

ENROLLMENT

HCR 5

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 12:20 p.m., July 14:

HOUSE CONCURRENT RESOLUTION NO. 5
Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 65, relating to immunity for consulting physicians, podiatrists, osteopaths, advanced practice registered nurses, physician assistants, chiropractors, dentists, optometrists, and pharmacists.

Legislative Resolve No. 8

HCR 6

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 12:20 p.m., July 14:

HOUSE CONCURRENT RESOLUTION NO. 6

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 21, relating to mobile intensive care paramedics; and relating to duties of the State Medical Board and the Department of Health and Social Services.

Legislative Resolve No. 9

HB 27

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 4:46 p.m., July 2:

HOUSE BILL NO. 27

"An Act naming the irene Webber Bridge."

HB 63

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 4:46 p.m., July 2, with a manifest error memorandum (page 1287):

SENATE CS FOR CS FOR HOUSE BILL NO. 63(TRA)

"An Act relating to the duties of the Department of Transportation and Public Facilities; renaming the Alaska Marine Transportation Advisory Board the Alaska Marine Highway Operations Board; relating to the membership and duties of the Alaska Marine Highway Operations Board; and relating to the comprehensive, intermodal, long-range transportation plan for the state."

HB 160

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 9:18 a.m., July 9, with a manifest error memorandum (page 1266):

CS FOR HOUSE BILL NO. 160(TRA) am

"An Act relating to the state procurement code; establishing the

construction manager general contractor procurement method; and providing for an effective date."

ANNOUNCEMENTS

Uniform Rule 23(d) is in effect.

House committee schedules are published under separate cover.

ADJOURNMENT

Representative Claman moved and asked unanimous consent that the House adjourn until 2:00 p.m., August 18.

Representative Carpenter objected.

The question being: "Shall the House adjourn until 2:00 p.m., August 18?" The roll was taken with the following result:

Adjourn

Until 2:00 p.m. 8/18/21

YEAS: 20 NAYS: 17 EXCUSED: 2 ABSENT: 1

Yeas: Claman, Drummond, Edgmon, Fields, Foster, Hannan, Hopkins, Josephson, Kreiss-Tomkins, Merrick, Ortiz, Rasmussen, Schrage, Snyder, Spohnholz, Story, Stutes, Tarr, Wool, Zulkosky

Nays: Carpenter, Cronk, Eastman, Gillham, Johnson, Kaufman, Kurka, LeBon, McCarty, McKay, Nelson, Prax, Rauscher, Shaw, Thompson, Tilton, Vance

Excused: Patkotak, Tuck

Absent: McCabe

And so, the House adjourned at 2:14 p.m.

Crystalline Jones
Chief Clerk